

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:
In re	:
	:
LEHMAN BROTHERS HOLDINGS INC., et al.,	:
	:
Debtors.	:
	:
	:
-----X	

Chapter 11 Case No.
08-13555 (JMP)
(Jointly Administered)

**AFFIDAVIT AND DISCLOSURE STATEMENT OF KENNETH B. BLEY
ON BEHALF OF COX, CASTLE & NICHOLSON LLP**

STATE OF CALIFORNIA)
) ss:
COUNTY OF LOS ANGELES)

Kenneth B. Bley, being duly sworn, upon his oath, deposes and says:

1. I am a partner of Cox, Castle & Nicholson LLP, located at 2049 Century Park East, 28th Floor, Los Angeles, CA 90067-3284 (the "Firm").
2. Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, the "Debtors") and, collectively with their non-debtor affiliates, "Lehman"), have requested that the Firm provide Lehman with legal services involving land use and development-related matters for land located in California, using appropriate professionals within the Firm as required for each matter, and the Firm has consented to provide such services.
3. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in the Debtors' chapter 11 cases. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom

may represent or be claimants or employees of the Debtors, or other parties in interest in these chapter 11 cases. The Firm does not perform services for any such person in connection with these chapter 11 cases. Other than the parties set forth on Schedule A with respect to matters in the chapter 11 cases which are unrelated to the services to be performed for Lehman, the Firm does not have any relationship with any such person, their attorneys, or accountants that would be adverse to the Debtors or their estates.

4. I will be the professional at the Firm who will be responsible for performing and overseeing the land use and development-related legal services to be provided to Lehman for land located in California. My son, Christopher W. Bley, is a senior vice president of LAMCO LLC whose responsibilities include dealing with land located in California. It is my understanding that I will not be reporting to Christopher Bley and that he will not be responsible for engaging my firm on particular matters, overseeing my services or approving requests for compensation provided by the Firm for any land use or real estate matter.

5. Neither I, nor any principal of, or professional employed by the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principals and regular employees of the Firm.

6. Neither I, nor any principal of, or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates.

7. The Debtors owe the Firm \$10,550.95 for prepetition services.

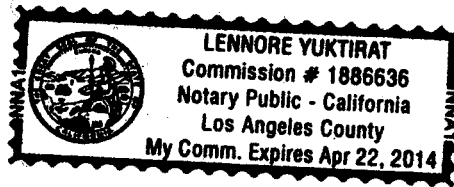
8. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of

its employment, if the Firm should discover any facts bearing on the matters described herein,
the Firm will supplement the information contained in this Affidavit.¹

By: *Kevin B. Bley*

Subscribed and sworn to before me
this 29th day of September, 2010

Lenore Yuktirat
Notary Public



¹ If necessary.

SCHEDULE A

CLIENT: Embarcadero Capital Partners
MATTER: Loan from Lehman Commercial Inc.

The Firm represents Embarcadero Capital Partners in connection with margin calls on a real estate collateralized loan.

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	:
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	:
Debtors.	: (Jointly Administered)
	:
	:
-----X	

RETENTION QUESTIONNAIRE

TO BE COMPLETED BY PROFESSIONALS EMPLOYED BY LEHMAN BROTHERS HOLDINGS INC. OR ANY OF ITS DEBTOR AFFILIATES (collectively, the "Debtors")

DO NOT FILE THIS QUESTIONNAIRE WITH THE COURT.
RETURN IT FOR FILING BY THE DEBTORS, TO:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Jennifer Sapp
Christopher Stauble

All questions **must** be answered. Please use "none," "not applicable," or "N/A," as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of firm:

Cox, Castle & Nicholson LLP
2049 Century Park East, 28th Floor
Los Angeles, CA 90067-3284
Attn: Kenneth B. Bley

2. Date of retention: September 28, 2010

3. Type of services provided (accounting, legal, etc.):

Legal

4. Brief description of services to be provided:

Legal representation to Lehman Brothers Holdings Inc. ("LBHI") and various of its affiliates involving land use and development-related matters concerning land in California.

5. Arrangements for compensation (hourly, contingent, etc.)

Hourly

(a) Average hourly rate (if applicable):

\$605

(b) Estimated average monthly compensation based on prepetition retention (if firm was employed prepetition):

Prepetition work did not involve land use or development-related matters. Estimated monthly compensation will be \$10,000 to \$40,000.

6. Prepetition claims against the Debtors held by the firm:

Amount of claim: \$10,550.95

Date claim arose: September 15, 2008

Source of Claim: Legal representation of LBHI.

7. Prepetition claims against the Debtors held individually by any member, associate, or professional employee of the firm:

Name: N/A

Status: N/A

Amount of Claim: N/A

Date claim arose: N/A

Source of claim: N/A

8. Stock of the Debtors currently held by the firm:

Kind of shares: None.

No. of shares: N/A

9. Stock of the Debtors currently held individually by any member, associate, or professional employee of the firm:

Name: N/A

Status: N/A

Kind of shares: N/A

No. of shares: N/A

10. Disclose the nature and provide a brief description of any interest adverse to the Debtors or to their estates with respect to the matters on which the above-named firm is to be employed.

Set forth in Schedule A to the Affidavit and Disclosure Statement of Kenneth B. Bley on behalf of Cox, Castle & Nicholson LLP.

Kenneth B. Bley will be the professional at the Firm who will be responsible for performing and overseeing the land use and development-related legal services to be provided to Lehman for land located in California. His son, Christopher W. Bley, is a senior vice president of LAMCO LLC whose responsibilities include dealing with land located in California. Kenneth Bley will not be reporting to Christopher Bley and Christopher Bley will not be responsible for engaging Kenneth Bley's firm on particular matters, overseeing his services or approving requests for compensation provided by his firm for any land use or real estate matter.

11. Name of individual completing this form:

Kenneth B. Bley